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INTELLIGENCE MEMORANDUM

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INTELLIGENCE MEMORANDUM

SUBJECT: The Soviet proposal for a German peace treaty

In its most elaborate effort to slow down West German progress toward rearmament and integration into the Atlantic Community, the USSR sent identical notes to the United States, Britain and France on 10 March, proposing principles for a German peace treaty and a program for arriving at a settlement.

The move, which was not unexpected, represents both a continuation of the familiar Communist campaign for German unity and a reaction to the considerable progress at the recent London and Lisbon meetings toward the organization of Western defense.

On the surface, the Soviet note is designed to hold out the possibility of a peace treaty and of German unification in the near future. Actually, the Kremlin is suggesting a series of diplomatic steps which would necessarily cover a long period of time. Such steps envisage:

- (1) A Big Four meeting to "discuss" a German peace treaty;
- (2) A Big Four discussion, probably at the same time, of conditions for the establishment of an all-German government; and, if such a government were set up,
- (3) A meeting of a German delegation with the Big Four to draft a peace treaty; and
- (4) An examination of the draft treaty by an international conference of all interested governments.

Since there is no call for a Council of Foreign Ministers at a specific time, the note appears mainly intended to publicize superficially attractive terms for a peace treaty.

The proposal is cleverly baited to carry the maximum appeal to those West Germans -- a considerable number -- who are still undecided between the merits of integration with the West and another try at German unification. A united Germany is promised its own national land, sea and air forces as well as "democratic rights" and membership in the United Nations but not in NATO. No restrictions of any kind are to be placed upon the development of the German economy, and Germany will even be allowed to manufacture some war materials for its own armed forces. Most important perhaps is the offer to let the united Germans participate in writing their own peace treaty.

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The Soviet Union has given no indication to date of a willingness to withdraw from East Germany; in fact, all evidence points to further Soviet entrenchment and to efforts to integrate East Germany into the Satellite system. Evidence of this entrenchment may be noted in the Sovietization of the economy, in political control patterned after that of the Orbit nations, in East German cultural and trade pacts with Satellites, as well as a measure of paramilitary cooperation.

Moscow intends that its entire program be taken seriously by Western peoples, thereby forcing the governments to hesitate in their plans for integration. If West Germany, France and Great Britain, all of whom have had doubts about some features of integration, can be thrown off stride in their efforts to establish Western defense, Communists can take renewed hope. Communist propaganda suggests the belief that Western defense efforts are at a critical stage where a loss of momentum could mean the failure of the entire program.

The preliminary Western reaction to the 10 March note indicates a widespread feeling in West Germany, France, and the United Kingdom that the Russian proposal merits serious consideration and should not, therefore, be rejected out-of-hand. But there is no indication yet that negotiations to complete the German-Allied political contracts or the European Defense treaty are going to be slowed down by Moscow's move.

Chancellor Adenauer hopes that no Big Four conference will take place, and German commentators stress the failure of the Soviet proposal to say anything about free all-German elections or a UN investigation of electoral conditions throughout Germany, both points which Bonn insists are prerequisites to unification. Even German neutralists find it impossible to accept the Soviet note's suggestion that the Oder-Neisse line remain Germany's eastern frontier. And responsible West Germans will inevitably balk at the stipulation in the Soviet note that a united Germany must remain out of Western military alliances.

The attitude in France and the other NATO countries has been one of scepticism, the consensus being that the offer should be given official consideration at least to the extent of exposing Soviet duplicity. This would undercut the Communist peace appeal and reassure non-Communist elements dubious of the wisdom or advisability of West German rearmament and integration into the European Defense Community.

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